GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:539
ANSWERED ON:11.05.2007
AGGREGATE TECHNICAL AND COMMERCIAL LOSSES
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Will the Minister of POWER be pleased to state:

(a) the details of the total Aggregate Technical and Commercial (AT&C) losses at the national level during each of the last three years; and

(b) the steps taken to reduce these losses?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF STARRED QUESTION NO. 539 TO BE ANSWERED IN THE LOK SABHA ON 11.05.2007 REGARDING AGGREGATE TECHNICAL AND COMMERCIAL LOSSES.

(a) : On the basis of available information, the Aggregate Technical and Commercial (AT&C) Loss of the State Power Utilities at the national level for 2003-04, 2004-05 and 2005-06 was 34.90%, 34.33% and 34.54% respectively.

(b) : The various steps taken by Government of India to reduce the losses of State Power Utilities and thereby improving the power distribution system are:

(i) The Accelerated Power Development and Reforms Programme (APDRP) was launched in the year 2002-03 with the objective of encouraging reforms with the object of reducing Aggregate Technical and Commercial (AT&C) losses, improving the quality of supply of power and improving consumer satisfaction. The said programme had two components, namely, (i) investment component for financing works for strengthening and upgradation of sub-transmission and distribution systems and (ii) incentive component for reduction of cash losses by utilities. 50% of the amount by which a utility was able to reduce its cash losses, with 2000-01 as the base year, was to be paid to the concerned State as incentive.

The Government has sanctioned 571 projects amounting to Rs. 17033.58 crores under the investment component of APDRP, out of which the Government of India has to bear Rs. 8720.09 crores. Against this, an amount of Rs. 6941.02 crores has already been released.

So far an amount of Rs.1749.03 crore has been released as incentive to nine States for cash loss reduction under the incentive component of APDRP.

The following technical, commercial and management measures were taken as part of APDRP:-

a) Technical Measures

- Up gradation and strengthening of the weak distribution system

- Relocation of distribution sub-stations and /or provision of additional distribution sub-stations

- Installation of lower capacity distribution transformers to serve a smaller number/cluster of consumers and substitution of distribution transformers with those having lower no-load losses

- Installation of shunt capacitors
- Adoption of High Voltage Distribution System (HVDS)

- Regular maintenance of distribution network

- GIS mapping of sub transmission and distribution network including compilation of data.

- IT intervention

b) Commercial Measures

- Improvement in metering and billing
- Improvement in revenue collection

c) Management Measures

- Adoption of energy accounting and auditing
- Proper network planning for future expansion

- Preparation of long-term plans on regular basis for phased strengthening and improvement of the distribution systems along with associated transmission system

- Training of employees

Approvals under the programme were made conditional upon certain reform conditionalities. Some of which are as follows:

- Constitution of SERCs,
- Unbundling and Corporatisation,
- 100% Feeder metering,
- 100% Consumer metering.

(ii) Electricity Act 2003 was enacted to bring competition in the sector. It also provides legal framework for making theft of electricity a cognizable offence.

(iii) The National Electricity Policy was notified by the Ministry in 2005 after consultations with various stakeholders. It aims at laying guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economic of generation using different resources and energy security issues.

(iv) With an objective to propagate adoption of best practices in the distribution sector, Ministry has organised National level workshops on best practices in distribution sector.